

Introduced by Senator Hernandez

February 19, 2014

An act to amend Section 1367.23 of the Health and Safety Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

SB 1124, as introduced, Hernandez. Health care service plans.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law requires that every group health care service plan contract, issued, amended, or renewed, include a provision requiring the health care service plan to notify the group contractholders in writing of the cancellation of the plan contract and shall include in their contract with group contractholders a provision requiring the group contractholder to mail promptly to each subscriber a legible, true copy of any notice of cancellation of the plan contract that may be received from the plan and to provide promptly to the plan proof of that mailing and the date of that mailing.

This bill would authorize those contract provisions to allow those mailings to be made by email.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1367.23 of the Health and Safety Code
2 is amended to read:

1 1367.23. (a) ~~On and after January 1, 1994, every~~ Every group
2 health care service plan contract, which is issued, amended, or
3 renewed, shall include a provision requiring the health care service
4 plan to notify the group contractholders in writing of the
5 cancellation of the plan contract and shall include in their contract
6 with group contractholders a provision requiring the group
7 contractholder to mail promptly *or email* to each subscriber a
8 legible, true copy of any notice of cancellation of the plan contract
9 which may be received from the plan and to provide promptly to
10 the plan proof of that mailing *or emailing* and the date ~~thereof of~~
11 *that mailing or emailing*.

12 (b) The notice of cancellation from the group contractholder
13 to the subscriber required by subdivision (a) shall include
14 information regarding the conversion rights of persons covered
15 under the plan contract upon termination of the plan contract. This
16 information shall be in clear and easily understandable language.